

ALEX HOLTZMAN

THE TOBACCO INSTITUTE, INC.

ANNUAL MEETING
January 28, 1971

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THE TOBACCO INSTITUTE, INC.

ANNUAL MEETING

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ATTENDANCE

Thomas F. Ahrensfeld
Charles F. Benbow
James C. Bowling, Jr.
DeBaun Bryant
Earle C. Clements
Timothy M. Cornell
Franklin B. Dryden
J. C. B. Ehringhaus
Edwin P. Finch
A.S. Forsyth

A. H. Galloway
W. Brooks George
G. B. Georgopulo
Kathryn R. Golden
Frederick P. Haas
David Hardy
Milton E. Harrington
Donna Y. Hilderley
Thomas W. Holley
Alex Holtzman
Gilbert D. Huebner
Curtis H. Judge
Marvin A. Kastenbaum
William Kloepper, Jr.
W. Knauer

Horace R. Kornegay
Kenneth McAllister
Ross W. Millhiser
John F. Mills
John J. Murphy
Lester V. Pollack
Edward F. Ragland
H. Henry Ramm
H. C. Roemer
William Shinn
William S. Smith, Jr.
A. J. Stevens
Ernest Summers
Frank L. Sundstrom
Stanley L. Temko
Preston Robert Tisch
Alan Tredennick

Charles B. Wade, Jr.
A. Y. Yeaman

Philip Morris Incorporated
R.J. Reynolds Industries, Inc.
Philip Morris Incorporated
Brown & Williamson Tobacco Corp.
The Tobacco Institute, Inc.
Scotten, Dillon Company
The Tobacco Institute, Inc.
Association of American Railroads
Brown & Williamson Tobacco Corp.
Forsyth, Decker & Murray, of counsel
to United States Tobacco Company
R. J. Reynolds Industries, Inc.
Larus & Brother Company
G.A. Georgopulo & Company, Inc.
The Tobacco Institute, Inc.
Liggett & Myers Incorporated
Shook, Hardy, Ottman, Mitchell & Bacon
Liggett & Myers Incorporated
The Tobacco Institute, Inc.
United States Tobacco Company
Philip Morris Incorporated
The Tobacco Institute, Inc.
Lorillard, Div. of Loew's Theatres, Inc.
The Tobacco Institute, Inc.
The Tobacco Institute, Inc.
Helme Products Inc., also representing
The Bloch Brothers Tobacco Company
The Tobacco Institute, Inc.
Liggett & Myers Incorporated
Philip Morris Incorporated
The Tobacco Institute, Inc.
Liggett & Myers Incorporated
Loew's Theatres, Inc.
The Tobacco Institute, Inc.
Council for Tobacco Research--U.S.A.
R.J. Reynolds Industries, Inc.
Shook, Hardy, Ottman, Mitchell & Bacon
R.J. Reynolds Industries, Inc.
Lorillard, Div. of Loew's Theatres, Inc.
Scotten, Dillon Company
The Tobacco Institute, Inc.
Covington & Burling
Loew's Theatres, Inc.
Helme Products, Inc., also representing
The Bloch Brothers Tobacco Company
R.J. Reynolds Industries, Inc.
Brown & Williamson Tobacco Corp.

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Agenda for the Thirteenth Annual Meeting
of The Tobacco Institute, Inc.
January 28, 1971
The Regency Hotel, New York City

1. Call to Order.
2. Proof of notice of Meeting
3. Determination of Quorum
4. Approval of the Minutes of the 1970 Annual Meeting
5. Reports, including the report of the Board of Directors
required by Section 519 of the Not-for-Profit Corporation
Law of the State of New York.
6. Election of Directors
7. Other Business

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THE TOBACCO INSTITUTE, INC.

BALLOT

Board of Directors

Louis A. Bantle

Thomas M. Bloch

Martin J. Condon, III

Joseph F. Cullman, 3rd

Edwin P. Finch

A. H. Galloway

W. Brooks George

G. B. Georgopulo

Milton E. Harrington

Arthur T. McGonigle

Ernest Summers

Preston Robert Tisch

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Agenda for the Twenty-Fifth Meeting
of the Board of Directors of
The Tobacco Institute, Inc.
January 28, 1971
The Regency Hotel, New York City

1. Reading or approval of the minutes of the Twenty-Fourth Meeting of the Board of Directors (held January 29, 1970).
2. Election of Officers
3. Report of the President of the Institute.
 - a. Developments during 1970.
 - b. Institute staff reports.
 - (1) Federal governmental developments -- John Mills.
 - (2) Communications program -- William Kloepfer, Jr.
 - (3) State Activities -- Frank Welch
4. Report of the Executive Committee -- A. H. Galloway.
5. Report of the Treasurer
6. Report of the Budget Committee and consideration of the budget for 1971.
7. Administrative and corporate matters, including ratification of employment contracts, necessary changes in bank resolutions, appointment of committees, etc.
8. Other business.

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January 28, 1971

Supplement to Mr. Kloepper's Report
Summary of Public Relations Activities
by The Tobacco Institute--1970

Administration

We assisted the president of the Institute in development of improved organizational structure and procedures, and in the search for and employment of a medical director and director of statistics.

Advertising

There were two major advertising projects coordinated and "merchandised" by direct-mail follow-up--disclosure in May of our unsuccessful requests to the American Cancer Society in the "smoking dogs" matter, and review in December of the cigarette companies position and contribution to smoking-health research.

Analysts' Briefing

Responding to an invitation from the New York Society of Security Analysts, the staff in cooperation with the ad hoc legal committee helped arrange a program presenting first-hand scientific views to the group last June. We reprinted the transcript and distributed it to some 15,000 analysts throughout the country.

Broadcasting

In a memorandum to every U. S. broadcast licensee, we advised of the FCC decision in December, our position with respect to it, and our intention to supply broadcast materials to any station which continued anti-smoking programming after the cigarette advertising blackout. With assistance from Brown & Williamson and its agency, we had our first two tv spots on hand for distribution by January 2. We adapted one into a

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script for local use by radio stations. We developed a nationwide anti-smoking broadcasting reporting system through the sales forces of the member companies.

Budget

The proposals submitted to the Executive Committee last January were developed by the staff and the Communications Committee with specific discussion of feasible projects and careful research as to cost projections.

Clippings

With the Institute library staff, we scanned more than 13,000 news clippings, and countless broadcast reports, articles, journals and papers relevant to smoking and health. Some were reported in our Newsletter; some evoked our direct responses to the media; some were included in special reports to the ad hoc legal committee.

Communications Committee

The staff attended eight meetings of the Communications Committee.

Consultant

We arranged for a complete review of the Institute's public relations activities by an outside expert, and received and analysed his report with the Communications Committee.

Correspondence

The four members of the PR staff wrote more than 1,600 individual letters and over 150 "informational memoranda."

Economic Studies

Developed industry response to the President's Commission on International Trade and Investment Policy; secured economic consultant to the Institute and helped him begin study of cigarette tax impact.

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Executive Briefings

We helped prepare Mr. Cullman for his "Face the Nation" interview, and worked with "truth squad" before its trip to London on the RCP Report, as well as helping intermittently with briefings of high-level government and other figures.

Film

We arranged with Australian cigarette companies to obtain some 18,000 feet of filmed interviews of scientific experts, mostly Americans, looking toward our own production of a movie on the smoking-health controversy.

Government Relations

Working continuously with Institute staff members in this area, we prepared substantial quantities of "backup" material pertinent to enactment of the new cigarette law, and certain activities of the regulatory agencies.

Media Briefings

Plans to send teams to metropolitan centers to brief invited newsmen on the industry's view of the smoking-health controversy were deferred, though the "script" and other materials for these planned sessions were brought through successive drafts to near completion.

Newsletter

Publication began in late summer with an initial circulation of fewer than 100. Ten editions were issued, and circulation grew to 650.

Newspaper Features

A half-dozen "columns" for weekly newspapers on smoking and health were drafted in preparation for a proposed distribution project for 1971.

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News Releases

The Institute issued 19 formal statements to news media, including six on the "smoking dogs" fiasco alone. Hundreds of responses were made to media queries.

Poll

The staff developed a questionnaire in cooperation with Roper Associates, which polled a national population sample on a variety of questions about smoking and health, and reported the results to management groups at member company offices.

Project A

During the first half of the year, we worked steadily in the development of commercial broadcast material on smoking and health, ending the project when networks refused to accept it for broadcast.

Speeches

We drafted several dozen speeches for officers of the Institute and other persons--even delivered several ourselves, to the Fellows at the Washington Journalism Center, to the White House Newsletter public relations seminar, to American University political science students, to the Richmond Public Relations Association, to the Philadelphia Newspaper Representatives Association and to the Agate Club in Chicago.

Television

As the year ended the staff was deeply involved in assistance to the staff of "The Advocates," a Public Broadcasting Service program to be devoted to smoking and health in the third week of January, 1971.

TGIC

In cooperation with the Tobacco Growers Information Committee, we sponsored a spring breakfast and a fall dinner for the National Association of Farm Broadcasters; and a dinner for the press covering the TGIC annual meeting.

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Tobacco Publications

An out-of-date booklet, "Tobacco, Pioneer in American Industry," was brought up to date, redesigned and issued. Three booklets in the Institute series of the history of tobacco in individual states were re-researched and republished. A colorful classroom poster on tobacco growth and production was designed and published.

White Paper

"The Cigarette Controversy--Eight Questions and Answers," was researched and republished in its second edition. This is the Institute's basic statement of view on the subject.

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DRAFT

GUIDELINES
FOR
AUTHORITY AND RESPONSIBILITY
OF
THE TOBACCO INSTITUTE, INC.

The objectives of The Tobacco Institute, as set forth in its charter, are: "To promote a better understanding by the public of the tobacco industry and its place in the national economy; to cooperate with governmental agencies and public officials with reference to the tobacco industry; to collect and disseminate information relating to the use of tobacco; to collect and disseminate scientific and medical material relating to tobacco; to collect and disseminate information relating to the tobacco industry published or released by any governmental agency, federal or state, or derived from other sources independent from the industry; to collect and disseminate information relating to legislative and administrative developments, federal or state, affecting the tobacco industry; to promote public good will."

In order to carry out these objectives efficiently and expeditiously, the following guidelines are established with respect to the authority and responsibility of the officers of the Tobacco Institute:

1. The Executive Committee of the Institute, specifically including the tobacco company Presidents, will meet

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bi-monthly for the purpose of establishing and reviewing Institute policies, programs and objectives. These meetings will be held alternately in Washington and New York unless otherwise directed by the Chairman of the Executive Committee. In addition to the bi-monthly meetings, the Chairman of the Executive Committee or the President of the Institute may call a special meeting of the Executive Committee whenever in the judgment of either such a meeting is necessary to establish or review Institute policies, programs and objectives. The President of the Institute will designate those members of the Institute staff who will be in attendance.

2. Responsibility for the operation of the Tobacco Institute is vested in the President, who is authorized to delegate such responsibility among his staff as he may deem appropriate.

3. No member of the Institute staff will accept any assignment not relating to Institute activities, from any Institute member or otherwise, without the prior knowledge and approval of the Institute President.

4. The President of the Institute shall have the authority to hire and discharge all employees, agents and independent contractors who are necessary to the operations of the Institute, other than those officers of the Institute

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elected or appointed by the Board of Directors pursuant to Section 1 of Article VI of the By-Laws of The Tobacco Institute.

5. The Budget Committee shall serve as an advisory committee to the Board of Directors of the Institute on all matters pertaining to the annual budget of the Institute. The members of the budget committee shall be appointed annually by the Board of Directors. The Treasurer of the Institute shall be the chairman of the committee and the committee shall meet periodically at the call of the Treasurer.

6. Subsequent to the approval of the Annual Budget by the Board of Directors and the membership, disbursements will be made accordingly. In an emergency, the President, with the concurrence of the Treasurer, may authorize the transfer of funds among the various approved individual budgeted items, such authority to be used with prudence and subsequent notice to the Executive Committee.

7. To avoid undue delay in making approved budgeted disbursements, the following procedures will be followed:

a. Checks drawn on the Imprest Fund and The Tobacco Institute Testing Laboratory Account will be signed by any one of the following individual:

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Horace R. Kornegay
Earle C. Clements
Franklin B. Dryden
John F. Mills
Frank J. Welch
Edward J. Ragland
John J. Murphy
John J. Kelly

b. Checks drawn on the Payroll Account will be signed by any one of the following individuals:

Horace R. Kornegay
Earle C. Clements
John J. Murphy
John J. Kelly

c. Checks drawn on any other accounts will require the signature of one of the following individuals:

Horace R. Kornegay
Earle C. Clements
Jack F. Mills

and, also, must be countersigned by one of the following:

Franklin B. Dryden
Edward F. Ragland
Frank J. Welch
John J. Murphy
John J. Kelly
Kathryn R. Golden.

These procedures will supersede the action of the Board of January 25, 1968, which required one signature to be that of the Treasurer or the Assistant Treasurer.

8. Funds will be on deposit at all times sufficient to pay outstanding bills within 30 days of receipt. Read-

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justment of "call" procedures on the membership will be made to meet the above requirement.

9. The Communications Committee shall serve as an advisory committee to the President of the Institute or, in his absence, the Vice President-Public Relations, on all matters affecting the public image of the industry. The Vice President-Public Relations shall be a member of the committee. Each member company of the Institute shall be invited annually by the President of the Institute to designate one of its employees to be a member of the Committee. The Chairman of the Ad Hoc Legal Committee or his designee shall also be a member of the Committee.

10. The executives, officials and employees of member companies are encouraged to propose projects and activities for the Institute, but shall not commit the Institute to any project or proposal without the prior approval of the President of the Institute.

11. In order to provide coordination and to avoid duplication, the member companies through their employees or agents shall keep the staff of the Institute informed regularly and confidentially about any of their activities in areas where the Institute is engaged or likely to be interested.

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12. The Vice President-Public Relations shall be responsible for the preparation of public statements issued by the Institute and the sources of information necessary to the staff of the Institute in the preparation of such public statements shall be left to the judgment of the Vice President-Public Relations. No such public statement shall be issued without the prior approval of the President of the Institute, and any public statement to be issued by the Institute relating to matters pertaining to smoking and health, HEW, the Federal Trade Commission, the Federal Communications and other Government agencies shall first be cleared with appropriate counsel.

13. The President of the Institute, with the advice of the Vice President-Public Relations, shall have the authority to employ, retain and discharge any public relations consultant or advertising agency which are not affiliated with a member company.

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14. The Committee of Counsel shall serve as an advisory committee to the President of the Institute on all legal, regulatory and legislative matters of industry-wide interest. The General Counsel of the Institute shall be a member of the Committee. Each member company of the Institute shall be invited annually by the President of the Institute to designate

one of its employees to be a member of the Committee. The Chairman of the Ad Hoc Legal Committee or his designee shall also be a member of the Committee.

15. The President of the Institute, with the advice of the Consultant and the Vice President-Government Relations, will determine the thrust and direction of political activities in both the lobbying and educational fields. To avoid confusion and duplication of effort, only those members of the staff specifically designated by the President will carry out such activities.

16. The Vice President-State Relations will represent the Institute with respect to proposed punitive and/or restrictive State and local laws.

17. The Institute will cooperate with the Tobacco Tax Council and other industry-supported organizations in exchanges of information on tax matters and other matters affecting the industry, and lend support as requested or as opportunities present themselves. [Particular attention will be directed towards avoiding the duplication of effort and promoting the consolidation of industry resources.]

18. Institute activities relating to the HEW, FTC, FCC and other regulatory agencies will be under the personal direction of the Institute President, assisted by such legal counsel as may be appropriate.

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19. The Chairman of the Budget and Communications Committees and the Committee of Counsel shall notify the appropriate staff of the Institute of any scheduled meetings of the Committee far enough in advance to permit adequate notification to the Committee members of the agenda and other details of the proposed business to be transacted at the meeting.

20. The President of the Institute shall advise the Executive Committee on all policies or practices which in his opinion will result in unfavorable reaction in the Congress or any of the Federal departments or agencies.

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4. Report of the Executive Committee -- A. H. Galloway.
5. Report of the Treasurer
6. Report of the Budget Committee and consideration of the budget for 1971.
7. Administrative and corporate matters, including ratification of employment contracts, necessary changes in bank resolutions, appointment of committees, etc.
8. Other business.

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2. Proof of notice of Meeting
3. Determination of Quorum
4. Approval of the Minutes of the 1970 Annual Meeting
5. Reports, including the report of the Board of Directors required by Section 519 of the Not-for-Profit Corporation Law of the State of New York.
6. Election of Directors
7. Other Business

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TI Executive Ctee - Dates for 1971 mtgs:

April 24 mtg cancelled -

Feb. 25 (noon) - New York

May 13-14-15 H'stress

June 24

Aug 26

Oct. 27

Dec. 16

} Location open

Begin at ~~the~~ noon

Each Co to decide who shall attend

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